

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3179-01
BILL NO.: HB 1489
SUBJECT: Children and Minors; Health Care; Health, Public
TYPE: Original
DATE: February 3, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$1,007,513)	(\$1,213,989)	(\$1,246,375)
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,007,513)	(\$1,213,989)	(\$1,246,375)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

***Revenues and expenditures of approximately \$345,000 annually net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$345,000	\$345,000	\$345,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance**, the **Department of Conservation**, the **Department of Transportation**, and the **Department of Public Safety - Missouri State Highway Patrol** assume this proposal would not fiscally impact their agencies.

Missouri Consolidated Health Care Plan (HCP) officials state that they cover childhood immunizations at 100%. HCP states that adding varicella and hepatitis A to the covered immunizations may increase the plan's cost. HCP states this cost could be passed on through premium increases. HCP expects the fiscal impact would be minimal.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** based the fiscal impact from the proposal on the number of children on Medicaid when they entered school. DMS currently pays for the administration of these injections. DMS states the actual cost of the drug is provided by the Vaccine for Children program which is administered by the Department of Health. DMS estimates that there would be an average of 24,800 children on Medicaid when they enter school for the next three years. DMS states the current Medicaid reimbursement for the administration of these immunizations is \$5.00. The fiscal impact is estimated as follows:

	Hepatitis A	Varicella
Number of Medicaid children entering school	24,800	24,800
x Number of doses	<u>X 2</u>	<u>X 1</u>
	49,600	24,800
Less: Number of immunizations currently paid by Medicaid	<u>(363)</u>	<u>(5017)</u>
	49,237	19,783
Estimated immunizations (49,237 + 19,783)	69,020	
x cost of administration of immunization	<u>x \$5.00</u>	
Total Estimated Cost	<u>\$345,000</u>	

DMS assumed that there might be a cost savings in other medical costs in future years if children are properly immunized as required by the proposal.

ASSUMPTION (continued)

Department of Health (DOH) officials state that children would not be required to be immunized against varicella if they had already had the disease (which confers natural immunity) and school-age children needing varicella immunizations could receive them free through the local public health agencies (LPHA), since DOH is providing varicella vaccine to the LPHA. DOH assumes any increase in varicella vaccines needed as a result of this proposal would be handled with current resources. DOH states that currently they have only enough funding to provide hepatitis A vaccine to Vaccines for Children(VFC)-eligible children. DOH assumes that approximately 37% of school-age children are eligible for the VFC program. DOH states they have historically implemented new school immunization requirements by mandating them for one grade (usually kindergarten). DOH assumes all non-VFC eligible kindergartners (approximately 47,000 children) would receive their two-dose hepatitis A vaccine series (\$11.15 per dose) from the LPHAs.(47,000 children x 2 doses x \$11.15 per dose = \$1,048,100).

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Cost - Department of Health</u>			
Hepatitis A vaccine	(\$873,067)	(\$1,079,543)	(\$1,111,929)
<u>Cost - Department of Social Services</u>			
Medical assistance payments	<u>(\$134,446)</u>	<u>(\$134,446)</u>	<u>(\$134,446)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$1,007,513)</u>	<u>(\$1,213,989)</u>	<u>(\$1,246,375)</u>
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Medicaid reimbursements	\$210,554	\$210,554	\$210,554
<u>Cost - Department of Social Services</u>			
Medical assistance payments	<u>(\$210,554)</u>	<u>(\$210,554)</u>	<u>(\$210,554)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
LOCAL PUBLIC HEALTH AGENCIES			
<u>Income - Local Public Health Agencies</u>			
Administration of vaccine program	<u>\$345,000</u>	<u>\$345,000</u>	<u>\$345,000</u>
ESTIMATED NET EFFECT ON LOCAL PUBLIC HEALTH AGENCIES	<u>\$345,000</u>	<u>\$345,000</u>	<u>\$345,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would add immunization against varicella (chickenpox) and hepatitis A to the immunizations required for school children who attend public, private, parochial, or parish schools.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Health
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Transportation
Department of Conservation
Department of Insurance
Department of Public Safety
Missouri State Highway Patrol

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 3, 2000